

REVISED 3/26/2015
report date unchanged

PRELIMINARY REPORT
(No Liability Hereunder)

This report (and any revisions thereto) is issued solely for the convenience of the titleholder, the titleholder's agent, counsel, purchaser or mortgagee, or the person ordering it for the purpose of facilitating the issuance of a policy of title insurance by Title Guaranty of Hawaii and no liability will arise under this report.

SCHEDULE A

Title Guaranty of Hawaii, Incorporated, hereby reports that, subject to those matters set forth in Schedule "B" hereof, the title to the estate or interest to the land described in Schedule "C" hereof is vested in:

POMARE, LTD.,
a Hawaii corporation,
as Lessee

This report is dated as of July 15, 2014 at 8:00 a.m.

Inquiries concerning this report
should be directed to
LISA NAGATA.
Email lnagata@tghawaii.com
Fax (808) 521-0287
Telephone (808) 533-5821.
Refer to Order No. 201431032.

EXHIBIT A

**SCHEDULE B
EXCEPTIONS**

1. Real Property Taxes, if any, that may be due and owing.

Tax Key: (1) 1-5-013-018 Area assessed: 60,679 sq. ft.
- covers Parcel First, Lot C

Tax Key: (1) 1-5-013-003 Area assessed: 4,948 sq. ft.
- covers Parcel Second, Lot 30-B-1 &
Parcel Third, Lot D-1

Tax Key: (1) 1-5-013-004 Area assessed: 16,614 sq. ft.
- covers Parcel Second, Lot 30-B-2 &
Parcel Third, Lot D-2

2. Mineral and water rights of any nature in favor of the State of Hawaii.

3. -AS TO PARCEL FIRST:-

(A) NOTICE OF PENDENCY OF ACTION, L. No. 18604, in favor of the STATE OF HAWAII, to acquire title to portions of Lot C, dated October 23, 1947, filed as Land Court Document No. 96035.

(B) NOTICE OF PENDENCY OF ACTION, L. No. 20196, in favor of the STATE OF HAWAII, to acquire abutter's rights of vehicle access appurtenant to Lot C, dated September 2, 1949, filed as Land Court Document No. 112472.

-Note:- Final Order of Condemnation, filed March 16, 1953, in favor of the Territory of Hawaii (now State of Hawaii). (Not noted on Transfer Certificate of Title No. 145,205)

(C) Restriction of access rights, as shown on Map 16, as set forth by Land Court Order No. 11868, filed March 19, 1953.

SCHEDULE B CONTINUED

- (D) Easement "14" for water pipeline purposes, as shown on Map 32, as set forth by Land Court Order No. 66634, filed July 25, 1983.
- (E) GRANT to CITY AND COUNTY OF HONOLULU, dated November 4, 1983, filed as Land Court Document No. 1206066; a right and easement over said Easement "14".

4. -AS TO PARCEL SECOND:-

- (A) Easement "18" (10 feet wide) for pipeline purposes in favor of Honolulu Gas Company, Limited, over and across Lot 30-B-2, as shown on Map 2 of Land Court Application No. 1758.
- (B) Easement "19" over and across Lot 30-B-2, as shown on Map 2 of Land Court Application No. 1758.
- (C) Easement "20" over and across Lot 30-B-1, as shown on Map 2 of Land Court Application No. 1758.
- (D) Easement "21" (10 feet wide) for oil pipeline purposes in favor of Standard Oil Company of California, situate over and across Lot 30-B-1, as shown on Map 2 of Land Court Application No. 1758.
- (E) Restriction of access rights in favor of the State of Hawaii, pursuant to two Final Orders of Condemnation, Law No. 20196, the first being recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2412 at Page 93, and the second being unrecorded, the portions affected thereby being shown on said Map 2.

SCHEDULE B CONTINUED

- (F) Possible future restriction of access rights as set forth in the Petition and Lis Pendens of Law 21290, Territory of Hawaii (now State of Hawaii) vs. Inter-Island Steam Navigation Company, Limited, the portions affected thereby being shown on said Map 2; nothing herein to be deemed to restrict access or to affect the rights of the Oahu Railway and Land Company to compensation for such restriction, such portion being shown on said Map 2 solely for future convenience in description.

5. -AS TO PARCEL THIRD:-

- (A) The terms and provisions contained in the that certain pipe line license or agreement with the UNION OIL COMPANY OF CALIFORNIA, by AGREEMENT dated January 25, 1923, subject to termination as therein provided.
- (B) NOTICE OF PENDENCY OF ACTION, L. No. 18604, in favor of the STATE OF HAWAII to acquire title to portions of Lot C, dated October 23, 1947, filed as Land Court Document No. 96035.

6. The terms and provisions contained in Lease referred to in Schedule C.

The foregoing includes, but is not limited to the matter relating to consent by the Lessor for any assignment or subletting.

7. Any facts, rights, interests or claims which are not shown by the public records, but which could be ascertained by making inquiry of the lessors in the lease or leases described or referred to in Schedule C.

SCHEDULE B CONTINUED

8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
9. Any unrecorded leases and matters arising from or affecting the same.

END OF SCHEDULE B

SCHEDULE C

UNRECORDED LEASE

LESSOR : HONOLULU LIMITED, a Hawaii corporation

LESSEE : JAMES STEWART ROMIG, unmarried

DATED : August 24, 1982

TERM : approximately 56 years commencing on August 24, 1982 and terminating 55 years and 90 days after the issuance of a final certificate of occupancy or the equivalent for the improvements to be constructed on the premises by the Lessor

A Short Form Lease is dated August 24, 1982, filed as Land Court Document No. 1134417.

THE LESSEE'S INTEREST BY MESNE ASSIGNMENTS ASSIGNED

ASSIGNOR : JAMES S. ROMIG, as Trustee of the James S. Romig Revocable Living Trust dated August 15, 1980

ASSIGNEE : POMARE, LTD., a Hawaii corporation

DATED : July 11, 2003

FILED : Land Court Document No. 3051053

CONSENT : Given by HONOLULU LIMITED, a Maryland corporation, by instrument dated November 26, 2003, filed as Land Court Document No. 3051054, and by 3900 CORP., a Maryland corporation, by instrument dated November 26, 2003, filed as Land Court Document No. 3051055.

Said Lease demising the following described premises:

All of those certain parcels of land situate at Kaholaloa, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

SCHEDULE C CONTINUED

-PARCEL FIRST:-

LOT C, area 1.393 acres, more or less, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1056 of Oahu Railway and Land Company.

Together with right of way over all roads now existing on Lot A-1 as shown on Map 5; Lot(s) A-2-A, A-2-B, A-3-B, A-3-C and A-3-D, as shown on Map 12; Lot 10 as shown on Map 27; Lot F-2 as shown on Map 11; and Lot 6 as shown on Map 26; all being a portion of said application, as reserved in Land Court Document No. 282601.

Being land(s) described in Transfer Certificate of Title No. 145,205 issued to Honolulu Limited, a Hawaii corporation.

-PARCEL SECOND:-

LOTS: 30-B-1, area 2,808 square feet, and
30-B-2, area 11,474 square feet, more or less, as shown on Map 9, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1758 (amended) of Oahu Railway and Land Company.

Being land(s) described in Transfer Certificate of Title No. 217,231 issued to Honolulu Limited, a Hawaii corporation.

-PARCEL THIRD:-

LOTS: D-1, area 2,140 square feet, and
D-2, area 5,140 square feet, more or less, as shown on Map 31, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1056 of Oahu Railway and Land Company;

Being land(s) described in Transfer Certificate of Title No. 270,030 issued to Honolulu Limited, a Hawaii corporation.

END OF SCHEDULE C

GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

2. CERTIFICATE OF MERGER dated January 2, 1998, recorded as Document No. 98-082916 sets forth the following filed with the Department of Commerce and Consumer Affairs, effective on December 31, 1997:
 - (A) That HONOLULU LIMITED, a Hawaii corporation, was merged with and into HJW/HONOLULU, INC., a Maryland corporation, and surviving corporation is HJW/HONOLULU, INC.; and
 - (B) The name change of HJW/HONOLULU, INC. has changed it's name to HONOLULU LIMITED, a Maryland corporation.

(A Land Court Petition may be required because the above is not noted on Transfer Certificate(s) of Title referred to herein)

GUIDELINES FOR THE ISSUANCE OF INSURANCE

- A. Taxes shown in Schedule B are as of the date such information is available from the taxing authority. Evidence of payment of all taxes and assessments subsequent to such date must be provided prior to recordation.
 - B. Evidence of authority regarding the execution of all documents pertaining to the transaction is required prior to recordation. This includes corporate resolutions, copies of partnership agreements, powers of attorney and trust instruments.
 - C. If an entity (corporation, partnership, limited liability company, etc.) is not registered in Hawaii, evidence of its formation and existence under the laws where such entity is formed must be presented prior to recordation.
 - D. If the transaction involves a construction loan, the following is required:
 - (1) a letter confirming that there is no construction prior to recordation; or
 - (2) if there is such construction, appropriate indemnity agreements, financial statements and other relevant information from the owner, developer, general contractor and major sub-contractors must be submitted to the Title Company for approval at least one week prior to the anticipated date of recordation.
- Forms are available upon request from Title Guaranty of Hawaii.
- E. Chapter 669, Hawaii Revised Statutes, sets forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property. If your survey map shows a position discrepancy that falls within the tolerances of Chapter 669, call your title officer as affirmative coverage may be available to insured lenders.
 - F. The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in connection with this transaction.
 - G. If a policy of title insurance is issued, it will exclude from coverage all matters set forth in Schedule B of this report and in the printed Exclusions from Coverage contained in an ALTA policy or in the Hawaii Standard Owner's Policy, as applicable. Different forms may have different exclusions and should be reviewed. Copies of the policy forms are available upon request from Title Guaranty of Hawaii or on our website at www.tghawaii.com.

DATE PRINTED: 3/26/2015

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.
(1) 1 5 013 018 0000

CLASS: INDUSTRIAL AREA ASSESSED: 60,679 SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2014

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING	\$	0
EXEMPTION	\$	0
NET VALUE	\$	0
LAND	\$	4,702,400
EXEMPTION	\$	0
NET VALUE	\$	4,702,400
TOTAL NET VALUE	\$	4,702,400

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2014

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2014	2	29,154.88				29,154.88	PENDING
2014	1	29,154.88	1,749.30	618.08		31,522.26	DELINQUENT
2013	2	28,262.70	2,826.27	2,487.12		33,576.09	DELINQUENT
2013	1	28,262.70	2,826.27	4,352.46		35,441.43	DELINQUENT

Total Amount Due: 129,694.66

Penalty and Interest Computed to: 8/20/2014

DATE PRINTED: 3/26/2015

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.
(1) 1 5 013 003 0000

CLASS: INDUSTRIAL

AREA ASSESSED: 4,948 SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2014

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING	\$ 8,391,200
EXEMPTION	\$ 0
NET VALUE	\$ 8,391,200
LAND	\$ 339,400
EXEMPTION	\$ 0
NET VALUE	\$ 339,400
TOTAL NET VALUE	\$ 8,730,600

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2014

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2014	2	54,129.72				54,129.72	PENDING
2014	1	54,129.72	3,247.78	1,147.55		58,525.05	DELINQUENT
2013	2	53,962.94	5,396.30	4,748.74		64,107.98	DELINQUENT
2013	1	53,962.94	5,396.30	8,310.29		67,669.53	DELINQUENT

Total Amount Due: 244,432.28

Penalty and Interest Computed to: 8/20/2014

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STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.
(1) 1 5 013 004 0000

CLASS: INDUSTRIAL AREA ASSESSED: 16,614 SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2014

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING	\$	0
EXEMPTION	\$	0
NET VALUE	\$	0
LAND	\$	1,139,700
EXEMPTION	\$	0
NET VALUE	\$	1,139,700
TOTAL NET VALUE	\$	1,139,700

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2014

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2014	2	7,066.14				7,066.14	PENDING
2014	1	7,066.14	423.97	149.80		7,639.91	DELINQUENT
2013	2	6,849.76	684.98	602.78		8,137.52	DELINQUENT
2013	1	6,849.76	684.98	1,054.86		8,589.60	DELINQUENT

Total Amount Due: 31,433.17

Penalty and Interest Computed to: 8/20/2014